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SUBJECT: Argentina: Former Vice Mayor Michetti Talks National  
Politics

REF: BUENOS AIRES 21

CLASSIFIED BY: VSMartinez, Ambassador, DOS, Exec; REASON: 1.4(B), (D)

¶11. (C) Summary: The Ambassador met with newly-elected national Deputy from Argentina's center-right Republican Proposal (PRO) party Gabriela Michetti on January 8, and discussed the GOA's showdown with Central Bank Governor Martin Redrado (reftel) and the opposition's legislative plans under the new Congress. Michetti characterized the Executive branch's conflict with Redrado as "deeply troubling," noting that the situation underscores the fragility of Argentina's democratic institutions and the country's lack of clear rules. Michetti shared that despite the President's assertion that she has the exclusive authority to convene Congress during recess, the opposition still intended to hold a special session. She expressed hope that the opposition will continue the unity it demonstrated December 3 when deputies banded together to negotiate leadership positions with the ruling Victory Front during the 2010 legislative session. One of Argentina's most popular politicians, Michetti is rumored to be eyeing the Buenos Aires City mayoral seat in 2011. End Summary

¶12. (C) Ambassador Martinez met with newly-elected national Deputy and former Vice Mayor of the City of Buenos Aires Gabriela Michetti on January 8. (Note: City of Buenos Aires Mayor Mauricio Macri picked her to head his party Republican Proposal's (PRO) slate in the June congressional midterm elections. The slate won with 31% of the votes.) Michetti, while acknowledging rumors that she is eyeing the Buenos Aires mayoral seat in 2011, told the Ambassador she is focusing on her current legislative responsibilities. "I am here because it interests me, and I see government work as a very noble profession," the Mayor explained.

Central Bank Governor's Forced Ouster

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¶13. (C) Michetti characterized the recent conflict between President Cristina Fernandez de Kirchner (CFK) and Central Bank Governor Redrado as "deeply troubling" (reftel). Michetti noted that if the Central Bank cannot unilaterally use the reserves as it sees fit, neither can the President. The Ambassador asked why the government would take this action now when it was moving towards paying off the Paris Club debt. As the budget already provides for debt payments coming due in 2010 (ostensibly the same purpose of the fund that CFK had created by decree), Michetti speculated that the Kirchners were seeking to draw down the reserves in order to free up the budget to pay for additional social works to curry favor with their political base prior to the 2011 presidential elections. (Former President and first spouse Nestor Kirchner confirmed in a television interview on January 24 that the purpose

of using reserves was indeed to free up the budget for public works, though he described these as legitimate and with no reference to political supporters.)

¶4. (C) Michetti said the situation with the Central Bank underscores the fragility of Argentina's democratic institutions and the country's lack of clear rules. She expressed dismay that Argentina was still battling over democratic basics, such as private property and checks and balances. Michetti stated that although the President was asserting that she had the exclusive authority to convene a special session of Congress during recess, the opposition still planned to hold one. (Note: This decision may have been put on hold following CFK's summoning of a bicameral congressional committee, per reftel. End Note)

Kirchner Mindset

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¶5. (C) Michetti described CFK's administration as having a "hegemonic and non-democratic conception of power." Nonetheless, she believes the Kirchner-allied Victory Front's (FpV) defeat in the June midterms gave the government a wake-up call. However, it remains difficult to predict former President and first spouse Nestor Kirchner's logic. Despite the June set-back, Michetti conveyed she still believes anything is possible of the first couple.

Opposition's Strategy for 2010

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¶6. (C) Michetti expressed mixed feelings about Argentina's future. She remains optimistic about the opposition's ability to unite as demonstrated December 3 when opposition deputies banded together to negotiate with the ruling FpV on leadership positions. (Note: Opposition parties captured the first and third vice presidencies. As the largest party, the FpV secured the presidency and the second vice presidency. Of the 45 permanent committees, the FpV will head 20 -- including a majority of the key committees -- and opposition parties will lead 25 committees.) Michetti hopes the opposition can continue this unity in the 2010 legislative session, noting the strategy is to move forward in areas of agreement, such as reforming the Council of Magistrates, which appoints judges, and restoring credibility to Argentina's statistical agency (INDEC).

¶7. (C) While recognizing that opposition leaders are divided, Michetti said each party has leaders with a common vision. She relayed she is involved in a new group of leaders from diverse parties who are working to develop a shared domestic agenda for the medium term. This informal group, which chooses to remain confidential, includes Civic Coalition national Deputy Alfonso Prat Gay, Peronist Governor of Salta Juan Manuel Urtubey, Radical Party President Ernesto Sanz, Chief Justice Ricardo Lorenzetti, business persons, and bank representatives. She added that most of the opposition's key leaders are able to reach agreement, except for Civic Coalition leader Elisa Carrio. The Deputy invited the Ambassador to meet the group and inquired if a U.S. expert could address them on a particular topic of interest.

Parting Concerns: Security and Lack of Work Ethic

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¶ 18. (C) Michetti relayed that she is involved in a new congressional group of female deputies focused on security issues. She added that CFK has completely ignored the crime situation, noting that not one of her speeches addresses security, a chief concern of Argentines. Michetti's biggest concern about Argentina is the lack of work ethic that has been fostered by immense social welfare plans, leading people to expect the State to provide for them. She added that many people have lived without working for years.

Bio Notes

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¶ 19. (SBU) Prior to assuming her current post, Michetti served as vice mayor of the City of Buenos Aires from December 2007 to April 2009. From 2003 to 2007, she was a deputy in the City legislature and President of the PRO bloc. Michetti has served as a private consultant to both the United Nations Development Program and the International Development Bank on international commercial relations. She was the chief coordinator for the Strengthening of Foreign Commercial Policy Project and director of international commercial negotiations in the Economy Ministry.

¶ 10. (SBU) Michetti was born in Laprida in Buenos Aires Province in 1965. She is the niece of former Radical Party President Arturo Illia. Michetti uses a wheelchair due to a car accident when she was 29 which left her paralyzed. An expert on regional and Mercosur issues, Michetti has a Masters degree in regional integration with a specialty in international commercial relations and the management of international cooperation projects. She has also studied university management in Canada and international commercial conflict resolution in Geneva. A former university professor, Michetti is a self-described humanist. She has actively worked with literacy groups. A practicing Catholic, Michetti maintains regular dialogue with Cardinal Jorge Bergoglio and Catholic groups. She is divorced and has a teenage son, who attends the prestigious Colegio Nacional de Buenos Aires. Michetti speaks English fairly well.

¶ 11. (C) Comment: One of Argentina's most popular politicians, Deputy Michetti is an impressive, articulate, and energetic figure with one of the highest positive ratings in the country. Warm and friendly with U.S. officials, Michetti deserves our continued attention.

MARTINEZ